

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

FINANCIAL STATEMENTS

30 JUNE 2009

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

ABN 64 088 925 115

FINANCIAL STATEMENTS

30 JUNE 2009

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GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

Your directors present their report together with the financial report of the company for the year ended **30 June 2009**.

Directors

The names, qualifications and meeting attendance of persons holding the position of director of the company in office at the date of this report are:-

John Herbert Bird

Farmer for 40 years. Shire Councillor for 18 years. Shire Deputy President for 5 years. Current Shire President since May 2001. Past President of Farmers Club. Hospital Board Member.

Directors meetings attended 11/12

Barry John Haywood

Farmer of 41 years. Past President of Basketball and Tennis Clubs. Actively involved in sporting clubs.

Directors meetings attended 7/12

Christine Mary Van Gelderen

Resident of Goomalling for past 21 years. Office manager of Mortlock Fabrication and Repairs for past 10 years. Held positions in charitable, sporting and community organisations.

Directors meetings attended 12/12

Douglas William French

Third generation farmers. Past and current member on various local charitable, sporting, landcare, emergency services and farming organisations.

Directors meetings attended 12/12

Ian Maxwell Clarke

Farmer for a number of years. Held position in sporting, educational and community organisations.

Directors meetings attended 12/12

Natalie Margaret Bird

Finance Manager Shire of Goomalling. Worked in Local Government for 17 years. Held many positions in sporting and community organisations.

Directors meetings attended 9/12

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

Mark Johnston

Employed by the Shire as a plumber and gas fitter over the last six years and an active member in the local Lions Club .

Directors meetings attended 0/0

Suzanne Woods

Member of a farming partnership and export business and a former school teacher. Involved in local, regional and national rural and agricultural organisations and member of the Australian Institute of Company Directors

Directors meetings attended 7/11

Karyn Dymond

Proprietor of the local supermarket and a former schoolteacher

Directors meetings attended 10/12

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

Principal Activity and Review of Operations

The principal activity and focus of the company's operations during the year, was a branch of the Bendigo Bank at Goomalling, Western Australia pursuant to a franchise agreement, trading as "Goomalling & Districts Community Branch – Bendigo Bank".

Operating Results

The amount of the profit from ordinary activities of the company after income tax was **\$21580 (2008: \$35348)**.

Dividends

A dividend of \$26960 was paid during the financial year and a dividend of 7.5% is recommended to be paid by the Directors.

State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial period under review, not otherwise disclosed in these financial statements.

Events Subsequent to the end of the Financial Year

No matters or circumstances have arisen since the end of the financial period that significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Likely Developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the company

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

Indemnifying Officer or Auditor

No indemnities have been given during or since the end of the financial period, for any person who is or has been an officer or auditor of the company.

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a Law of the Commonwealth or of a State or Territory.

Proceedings On Behalf Of Company

No persons has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Insurance of Officers

During the financial year the company paid a premium of \$3500 to insure the officers of the company. The liabilities insured are legal costs that may be incurred in defending proceedings against the officers in their capacity as officers of the company.

Signed in accordance with a resolution of directors



Ian Clarke
Director

Dated this 30th day of September 2009

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

Scope

We have audited the financial report of **Goomalling & Districts Community Financial Services Limited (the Company)** for the year ended **30 June 2009** as set out on the attached pages. The Company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and the Corporations Act 2001 In Australia so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

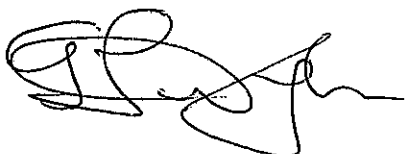
Independence

We declare to the best of our knowledge and belief that the auditors independence declaration set out on the attached pages of the financial report has not changed as at the date of the financial report has not changed as at the date of our audit opinion.

Audit Opinion

In our opinion, the financial report of the Company is in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at **30 June 2009** and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements in Australia.



Gregory Froomes Wyllie CPA
Perth WA
30 September 2009


GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of **Goomalling & Districts Community Financial Services Limited**

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended **30 June 2009** there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.



Gregory Froomes Wyllie CPA
Perth WA
30 September 2009

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out in the Financial Report:

- (a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements;
- (b) give a true and fair view of the company's financial position as at **30 June 2009** and of its performance, as represented by the results of its operations and its cash flows, for the year ended **30 June 2009**.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Ian Clarke
Director

Dated this 30th day of September 2009

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	<u>2009</u>	<u>2008</u>
		\$	\$
CURRENT ASSETS			
Cash		73971	94444
Receivables	5	39942	35468
TOTAL CURRENT ASSETS		<hr/> 113913	<hr/> 129912
NON-CURRENT ASSETS			
Property, plant and equipment	6	157328	148844
Intangibles	7	-	-
TOTAL NON CURRENT ASSETS		<hr/> 157328	<hr/> 148844
TOTAL ASSETS		271241	278756
CURRENT LIABILITIES			
Trade and other payables	8	14887	14856
Provision for Income Tax	9	(5587)	434
Provisions for employee entitlements	10	44800	24800
		<hr/> 54100	<hr/> 40090
NON-CURRENT LIABILITIES			
Financial Liability	11	51581	67726
TOTAL LIABILITIES		<hr/> 105681	<hr/> 107816
NET ASSETS		<hr/> 165560	<hr/> 170940
EQUITY			
Contributed equity	12	268500	268500
Accumulated losses	13	(102940)	(97560)
TOTAL EQUITY		<hr/> 165560	<hr/> 170940

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED**INCOME STATEMENT****AS AT 30 JUNE 2009**

		<u>2009</u>	<u>2008</u>
	Note	\$	\$
Revenue from continuing activities	2	442166	445288
Employee benefits expense		(260628)	(240816)
Depreciation and amortisation expenses		(1875)	(1875)
Leasing of computer hardware and software and rental of computer lines expense		(23106)	(22939)
Other expenses from ordinary activities		(125977)	(129310)
Profit from continuing operations before income tax	3	30580	50348
Income tax expense	4	(9000)	(15000)
Net profit for the year after income tax	13	21580	35348

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
Equity at the beginning of the year	170940	162809
Net profit for the year after income tax	21580	35348
Dividend	(26960)	(27217)
Income tax underprovided	-	-
	<hr/>	<hr/>
<u>Equity at the end of the year</u>	165560	170940
	<hr/> <hr/>	<hr/> <hr/>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2009

	Note	2009	2008
		\$	\$
Cash flows from operating activities			
Interest received		3446	4673
Receipts from customers		434246	433049
Interest paid		(888)	(1203)
Payments to suppliers and employees		(388792)	(398930)
Tax paid		(15021)	(10012)
		<hr/>	<hr/>
Net cash provided by operating activities	15(b)	32991	27577
		<hr/>	<hr/>
Cash flows from investing activities			
Payment of Dividend		(26960)	(27217)
Receipt of loan			-
Payment for property		(10359)	
Repayment of loan		(16145)	(15696)
		<hr/>	<hr/>
Net cash used in investing activities		(53464)	(42913)
		<hr/>	<hr/>
Net increase in cash held		(20473)	(15336)
		<hr/>	<hr/>
Cash held at the beginning of the financial year	15(a)	94444	109780
		<hr/>	<hr/>
Cash held at the end of the financial year	15(a)	73971	94444
		<hr/>	<hr/>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations on non current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income tax

The company adopts the liability method of tax effect accounting whereby the income tax expense shown in the profit and loss account is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income, are brought to account as either provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the company will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law to permit a future income tax benefit to be obtained.

(b) Property, plant and equipment

Property, plant and equipment are brought to account at cost or at independent or director's valuation, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected cash flows have not been discounted to present values in determining recoverable amount.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1. STATEMENT OF ACCOUNT POLICIES (Cont.)

(c) Intangible asset

The franchise fee paid by the Company pursuant to a Franchise Agreement with the Bendigo Bank (note 7) has been amortised over the initial five (5) year period of the agreement, being the period of expected economic benefit of the franchise fee.

(d) Statement of cash flows

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdraft.

(e) Revenue

Revenue from the provision of banking services is recognised upon the delivery of the services to customers on an accruals accounting basis.

Interest income and expenditure is brought to account in the statement of financial performance over the term of each financial instrument on an accrual accounting basis.

(f) Employee entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the company for employees' superannuation in accordance with the SGC legislation and are charged as an expense when incurred.

(g) Impacts of Adopting Australian Equivalents to International Financial Reporting Standards (IFRSs)

Effective for financial periods commencing on or after 1 January 2008, the Australian Accounting Standards Board (AASB) will amend existing Australian Accounting Standards so content and wording is consistent with IFRSs.

As the AASB has prohibited the early adoption of the Australian equivalents to IFRSs, the first period to which they relate will be the year 30 June 2009 (that is, the year commencing 1 July 2008).

The transition to the Australian equivalents to IFRSs is being managed via a process of education which includes technical training and liaison with auditors and industry groups. This will include a review of the pending standards to determine the effect on existing accounting policies and treatments.

From the review performed to date, it is not anticipated the adoption of the 'new' standards, when they become applicable, will result in any key differences in the accounting policies or treatments.

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u> \$	<u>2008</u> \$
2. REVENUE		
Operating activities		
Franchise margin income	435896	436118
	<hr/>	<hr/>
	435896	436118
	<hr/>	<hr/>

3. OPERATING RESULTS

The profit from ordinary activities before income tax have been determined after:

(a) Expenses

- Amortisation	-	-
- Bad and doubtful debts	193	-
- Depreciation of plant and equipment	1875	1875
- Auditor's remuneration		
- Audit or review	2800	2800
- Other services	1900	1600

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u> \$	<u>2008</u> \$
4. INCOME TAX EXPENSE		
Reconciliation		
The prime facie income tax benefit on the profit from ordinary activities is reconciled to the income tax expense as follows:		
Prima facie tax on the profit from ordinary activities before income tax at 30%	9174	15104
Non deductible expenditure	-	-
Future income tax benefit not recognised applicable to:		
Timing differences	(174)	(104)
Tax losses	-	-
	<hr/>	<hr/>
Income tax expense	9000	15000
	<hr/>	<hr/>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u> \$	<u>2008</u> \$
5. RECEIVABLES (CURRENT)		
Trade debtors	39942	35468
	<hr/>	<hr/>
	39942	35468
	<hr/>	<hr/>
6. PROPERTY, PLANT AND EQUIPMENT		
Property, Plant and Equipment Cost	215888	205529
Accumulated depreciation	<u>58560</u>	<u>56685</u>
	157328	148844
	<hr/>	<hr/>
Movement in carrying amount		
Balance at the beginning of the year	148844	150719
Additions	10359	-
Disposals	-	-
Depreciation expense	<u>(1875)</u>	<u>(1875)</u>
Carrying amount at the end of the year	<hr/> 157328	<hr/> 148844

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
7. INTANGIBLE ASSET		
Formation expenditure		
Cost	15957	15957
Accumulated amortisation	<u>15957</u>	<u>15957</u>
	-	-
	<u> </u>	<u> </u>
Franchise fee		
Cost	50000	50000
Accumulated amortisation	<u>50000</u>	<u>50000</u>
	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>
<p>Pursuant to a franchise agreement with the Bendigo Bank that commenced in 1999, the Company operates a branch of the Bendigo Bank at Goomalling, trading as "Goomalling & Districts Community Branch – Bendigo Bank", providing a core range of banking products and services. The Company entered into a franchise agreement at a cost of \$50000 that has been amortised on the basis disclosed above.</p>		
8. PAYABLES – CURRENT LIABILITY		
Trade creditors and accruals	<u>14887</u>	<u>14856</u>
9. TAX LIABILITIES		
Provision for Income Tax	<u>(5587)</u>	<u>434</u>
	<u>(5587)</u>	<u>(4554)</u>
	<u> </u>	<u> </u>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
10. PROVISIONS – CURRENT LIABILITY		
Employee entitlements	<u>44800</u>	<u>24800</u>
11. INTEREST BEARING LIABILITY		
The Shire of Goomalling has advanced a secured Loan for the purpose of acquiring the property at Railway Terrace, Goomalling. The loan is repayable: 10 years and subject to interest at 6.63% per annum.		
12. CONTRIBUTED EQUITY		
(a) Fully paid shares		
268500 Ordinary shares fully paid	<u>268500</u>	<u>268500</u>
(b) Movements in fully paid shares		
At the beginning of the reporting period	<u>268500</u>	<u>268500</u>
At the end of the reporting period	<u>268500</u>	<u>268500</u>
13. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the year	(97560)	(105691)
Dividend	(26960)	(27217)
Net profit after income tax	21580	35348
Income tax underprovided	-	-
Accumulated losses at the end of the year	<u>(102940)</u>	<u>(97560)</u>

14. RELATED PARTY INFORMATION

Directors

The following persons held office as directors of the Company during the financial year:

	<u>Shares Held</u>
John Herbert Bird	3000
Barry John Haywood	16000
Mark Johnston	500
Suzanne Woods	100
Christine Mary Van Gelderen	3000
Douglas William French	3500
Ian Maxwell Clarke	4000
Natalie Margaret Bird	500
Karyn Dymond	100

(a) Remuneration of directors

No income was paid or was payable, or otherwise made available, to the directors of the Company during the year ended 30 June 2009

	<u>2009</u>	<u>2008</u>
	\$	\$

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	<u>73971</u>	<u>94444</u>
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(b) Reconciliation of net cash provided by operating and investment activities to profit from ordinary activities

Profit from ordinary activities	21580	35348
Depreciation and amortisation	1875	1875
Movement in assets and liabilities		
Receivables	(4474)	(7566)
Other assets	-	-
Payables	(5990)	(3437)
Provisions	20000	1357
Net cash provided by operating activities	<u>32991</u>	<u>27577</u>

GOOMALLING & DISTRICTS COMMUNITY FINANCIAL SERVICES LIMITED

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

16. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument will fluctuate as a result of changes in market interest rates, is in respect of its bank overdraft of Nil (2008: Nil). The weighted average interest rate during the year, applicable to that liability was 6% (2008: 6%)

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

(c) Net fair values

The net fair value of financial assets and liabilities of the company approximates their carrying amount.

The company has no financial assets and liabilities where the carrying amount exceeds the net fair value at balance date.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

17. SEGMENT REPORTING

The Company operates in the financial services sector as a branch of the Bendigo Bank at Goomalling in Western Australia.

18. COMPANY DETAILS

The registered office and principal place of business of the Company is:

35 Railway Terrace
GOOMALLING WA 6460